

# **FINAL RULE AMENDMENTS**

---

- **Rule 790-X-1-.06 Prelicense And Post License School Approval And Requirements.**
- **Rule 790-X-1-.07 Qualifications for Instructors.**
- **Rule 790-X-1-.09 Instructor Approval For Continuing Education Courses.**
- **Rule 790-X-1-.10 Application, Fees And Renewal Requirements For Instructors, Courses And Schools.**
- **Rule 790-X-1-.11 Course Content For Continuing Education**
- **Rule 790-X-1-.12 Continuing Education Course Approval and Requirements.**
- **Rule 790-X-1-.14 Student Attendance Participation Standards.**
- **Rule 790-X-1-.16 Review Of Approved Courses And Instructors.**
- **Rule 790-X-1-.21 Distance Education Courses.**
- **Rule 790-X-2-.02 Applications For Examination And Licensure.**
- **Rule 790-X-2-.22 Optional Errors And Omissions Insurance Coverage.**
- **Rule 790-X-2-.23 Errors And Omissions Insurance Coverage For Reciprocal Licensees.**

**The following rule amendments were approved and  
became effective on October 1, 2004.**

## **790-X-1-.06. Prelicense And Post License School Approval And Requirements.**

(1) All approved schools and instructors teaching real estate courses must agree to be governed by rules and regulations adopted by the Commission for the orderly operation of the schools.

(2) All prelicense and post license courses will have a definite beginning and ending date.

(3) The instructor shall, at least one week prior to the beginning of a prelicense or post license course, send information concerning the exact location, times and dates of the courses to the Commission via the electronic submission program provided by the Commission.

(4) The instructor shall, within three (3) days of course completion, report the credit for students who successfully complete the prelicense or post license course to the Commission via the electronic submission program provided by the Commission.

(5) Prelicense and post license course requirements. No course shall be approved by the Commission unless the following requirements are fulfilled.

(a) Courses must be taught by an approved instructor.

(b) In order to obtain approval, a course application and fee must be submitted by each instructor for each prelicense and post license course when a detailed outline is not provided by the Commission. This does not apply to college credit courses which otherwise meet the criteria for the prelicense course.

(c) All courses must comply with the curriculum as prescribed by the Commission.

(d) The 60 clock hour prelicense course must be completed within one year from the date of course enrollment or the student will receive no credit for classes completed and must begin the course again. Students enrolled in the prelicense course can receive no more than six (6) hours credit per day.

(e) Any applicant for the exam who completed the 45 hour prelicense course prior to January 1, 1997, may meet the 60 clock hour requirement by completing a 15 clock hour course approved by the Commission provided the applicant meets all other requirements set forth in License Law & Rules. Students enrolled in 15 hour prelicense courses can receive no more than nine (9) hours credit per day.

(f) The 30 hour post license course is required for all salesperson licensees within the first year of licensure. In order to maintain an active license, the course must be completed and the original (permanent) license issued within the first six months of licensure. Students enrolled in the post license course can receive no more than nine (9) hours credit per day.

(g) No more than 20% of the course hours in the post license course can be presented by video tape unless the course is an ARELLO certified distance education course.

(h) Students must pass a final course exam and make a minimum course grade of 70% to successfully complete the prelicense and post license courses.

(i) Ninety (90%) percent course attendance in the prelicense and post license courses is required to successfully complete the course. Instructors may take a 10-minute break after each 50 minutes of instruction. Meals and other unrelated activities cannot be counted as part of the course hours.

(j) Upon completing the course hours, passing the course final exam and obtaining a minimum course grade of 70% in the 60 hour salesperson prelicense course, the instructor will issue to the student a Certificate of Course Completion. Salesperson applicants must show the Certificate of Course Completion to the supervisor at the exam center in order to be admitted to the exam. Failure to do so will result in both the applicant not being allowed to test and the applicant forfeiting the exam fee.

(k) Upon completing the course hours, passing the course final exam and obtaining a minimum course grade of 70% in the 15 hour broker prelicense course, the instructor will electronically submit the course credit to the Commission. Since broker applicants are not required to take a Certificate of Course Completion to the exam center in order to be admitted to the state exam, instructors are not required to issue them. Broker applicants are, however, required to be qualified to sit for the exam and must check with the Commission if the need exists to verify qualifications. Failure to meet broker qualifications prior to taking the broker's examination will result in the exam score being rendered null and void and may subject the broker applicant to disciplinary action by the Commission.

(l) Post license credit cannot be earned prior to obtaining an Alabama temporary license. Instructors must obtain the temporary license number before allowing a student to enroll in the post license course. Salespersons who complete the 30 hour post license course must check the Commission Web site to ensure their course credit has been accurately reported. Once the course credit has been reported, the salesperson must submit the application and fees for an original (permanent) license within the time frame set forth in Section 34-27-33.

(m) At the end of the 60 hour salesperson prelicense course, a Commission approved Certificate of Completion shall be completed by the instructor and given to each student. The student must retain the certificate and submit it to the Commission with the temporary salesperson license application after passing the state examination. For those completing the 15 hour broker prelicense course, the salesperson must check the Commission Web site one week after course completion to ensure course credit has been accurately reported.

(n) Schools are to maintain permanent records showing attendance and course completion scores for a minimum of four (4) years.

(7) Salesperson applicants must pass the examination within 12 months immediately following the date of completion of the 60 clock hour prelicense course approved by the Commission. Salesperson applicants who fail to meet this requirement shall be required to again successfully complete the prelicense course.

(8) Applicants who are required to complete the 15 clock hour prelicense course must pass the examination within the 12 months immediately following the date of course completion. Applicants who fail to meet this requirement shall be required to again successfully complete the prelicense course.

Statutory Authority: Code of Ala. 1975, §§ 34-27-6, 34-27-8, 34-27-32, 34-27-33.

## **790-X-1-.07. Qualifications for Instructors.**

(1) Regulations for all Instructors:

(a) All instructor applicants must apply on a form prescribed by the Commission.

(b) All instructors must have written approval from the Alabama Real Estate Commission prior to teaching an approved course.

(c) Instructor applicants should not have been found guilty of violating any provision of the Real Estate License Law or any rule, regulation or order of the licensing authority in any state.

(d) All instructors will be periodically reviewed and evaluated by the Alabama Real Estate Commission.

(e) All instructors must attend Commission sponsored orientation courses and seminars when directed to do so by the Commission. Failure to do so will result in instructor approval being revoked in accordance with Rule 790-X-1-.17.

(2) Full-time college and university prelicense and continuing education course instructors will be qualified when certified by their respective educational institutions. These instructor applicants must comply with all requirements specified in paragraph (1) above.

(3) Qualifications for all instructor applicants other than those specified in paragraph (2) above are as follows:

(a) Instructor applicants must meet the qualifications as specified by the Commission. The Commission shall rate the individual's qualifications in education, industry experience and teaching experience. The qualifications will be evaluated using a point system. An individual must obtain a minimum of 70 points to be approved as an instructor. The five major areas of evaluation and maximum points per category are:

1. Active real estate license experience-20 points
2. Real estate education-20 points
3. Formal education-20 points
4. Teaching experience-30 points
5. Real estate and related experience-10 points

(b) Each major category shall be comprised of subcategories thereby allowing consideration of a variety of qualifications.

(c) Individuals who apply for approval as a prelicense instructor will not be approved unless he/she holds a current broker's license. Further, all prelicense instructors must continue to maintain a broker's license.

(d) The Commission shall require that an instructor applicant submit appropriate documentation in order to be awarded points in any category or subcategory. No points can be awarded without supporting documents.

(4) Instructors who teach the entire 15 hour broker's prelicense course or the entire 30 hour post license course can earn 15 hours continuing education credit by submitting credit to the Commission via the electronic submission program provided by the Commission. Continuing education credit cannot be earned for teaching part of the course nor can it be earned for teaching the salesperson's prelicense course.

(5) As of October 1, 1993, all approved instructors may continue to teach the courses for which they are already approved. Any instructor who wishes to teach any other course may apply under the qualifications set forth in this rule.

Statutory Authority: Code of Ala. 1975, §§ 34-27-6, 34-27-8.

### **790-X-1-.09. Instructor Approval For Continuing Education Courses.**

(1) Every instructor applicant for continuing education must apply for approval on a form prescribed by the Commission along with the appropriate fee. No instructor may begin teaching a course offered for continuing education credit until he/she has received written approval from the Commission.

(2) Instructor Qualifications. A person seeking approval to teach an approved continuing education course, must meet the qualifications as prescribed in Rule 790-X-1-.07 except that a person may seek approval to teach continuing education courses in his/her principal occupation by possessing one of the following:

(a) Bachelor's degree in the field of instruction plus at least two years experience in the field of instruction;

(b) Teaching experience consisting of at least 75 hours in the application field within 3 years immediately preceding the date of the instructor's application plus 3 years full time experience in the field of instruction;

(c) Six years full time experience in the profession, trade or occupation in the field of instruction;

(d) Any combination of at least six years of full time experience relevant to the application field and college level education with course work in the field of instruction.

(3) All instructor applicants qualifying under (2) above must submit documentation of qualifications and a resume outlining experience, education and/or teaching experience in the applicable field.

(4) Approved instructors shall earn continuing education credit for teaching an approved continuing education course by submitting credit to the Commission via the electronic submission program provided by the Commission. Credit earned for teaching will be the same as credit earned by the student.

Statutory Authority: Code of Ala. 1975, §§ 34-27-6, 34-27-8, 34-27-35.

### **790-X-1-.10. Application, Fees And Renewal Requirements For Instructors, Courses, And Schools.**

(1) Schools and instructors must submit application for approval on forms prescribed by the Commission. Instructors must submit application for course approval on a form prescribed by the Commission. Instructor, course and school approvals must be renewed every two years in the odd numbered years. The approval period shall run from October 1 of the first year of the approval period through September 30 of the second year of the approval period. All schools must name an individual associated with the school to serve as the school administrator. The school administrator will be the contact person for all course offerings and activities related to real estate education that are offered at the school.

(2) School and instructor renewal reminders shall be sent by the Commission to instructors by August 1 of the second year of the approval period. Instructors must renew their approval online and school administrators must renew their school approval online.

(3) School renewal: School administrators must renew the school approval no later than August 31 of the second year of each approval period. Failure to meet this deadline will result in the school being placed on inactive status. If placed on inactive status, the school cannot enroll any additional students until the approval is renewed.

(4) Instructor renewal: Instructors must renew their instructor approval no later than August 31 of the second year of each approval period. Failure to meet this deadline will result in the instructor being placed on inactive status. If placed on inactive status, the instructor cannot teach any classes until the approval is renewed.

(5) Course Renewal: In order to retain approval for each course, the instructor must submit the renewal fee and file an updated outline and learning objectives with the renewal form. Courses which are not renewed by the deadline set forth by the Commission will be deleted from that instructor's list of approved courses. Once a course is deleted, it is subject to all requirements of new courses and cannot be offered until written approval has been received from the Commission.

(6) Fees: The initial fee for instructor approval shall be \$50 per year or any portion thereof except that instructors who teach only elective continuing education shall pay an initial fee of \$25 per year or any portion thereof. The fee for instructor renewal shall be \$100 for the two year approval period. For those who teach only elective continuing education the fee shall be \$50 for the two year approval period. The initial course review fee shall be \$100. The fee for course renewal shall be \$50 per course for the two year approval period. An initial course constitutes either one being submitted for the first time or an existing course which incurs substantial changes as determined by the Commission. Courses for which the Commission supplies a course outline do not require either the \$100 initial course review fee or the \$50 renewal fee for approval.

(7) Instructors who teach only college credit courses shall not be required to pay either the initial instructor or course application fee or the instructor or course renewal fee.



(8) Deadline for Renewal: Schools and instructors must be renewed on or before August 31 of the second year of each approval period in order for the respective approval to be renewed on a timely basis for the following approval period.

(9) Failure by instructors to meet the August 31 deadline shall result in approval being terminated until the instructor meets all renewal requirements. If renewal requirements are not met by September 30 of the first year of the next approval period, the approval may not be renewed and the instructor must apply as an original applicant and meet all requirements applicable to new instructors.

(10) Failure by the administrator of an approved school to meet the August 31 filing deadline will result in the approval for that school being terminated until renewal requirements are met. If renewal requirements are not met by September 30 of the first year of the next approval period, the approval may not be renewed and the administrator must submit a new school application and meet all requirements applicable to new schools.

(11) All instructors must attend training programs as directed by the Commission in order to retain approval.

Statutory Authority: Code of Ala. 1975, §§ 34-27-6; 34-27-8.

**Rule 790-X-1- .11. Course Content for Continuing Education.**

(1) To meet continuing education requirements, licensees must complete fifteen (15) clock hours each license period as set out below:

(a) Three (3) clock hours in Risk Management

(b) Twelve (12) clock hours in Commission approved elective courses

(2) In order to meet the requirement of (1)(a) of this rule, each student enrolled in the course shall be provided with the Alabama Real Estate Research and Education Center's copyrighted Risk Management manual which is the most current edition.

(3) The curriculum for continuing education courses offered for elective credit shall consist of subjects which are "core" real estate and which will assist the licensee in fulfilling the Commission's objective of protecting the public. Some examples of acceptable subject matter are License Law, RECAD (Real Estate Consumer's Agency and Disclosure Act), real estate ethics, real estate financing, appraisal and valuation, fair housing, truth-in-lending, agency relationships, agency disclosure, liability of real estate agents, writing contracts, handling escrow funds, environmental issues, negotiating techniques, listing and buyer presentations, writing and presenting offers, showing property, sales skills, communication skills, marketing, certain financial calculator courses, computer courses which are real estate specific and how to utilize technology in the practice of real estate. Examples of unacceptable subject matter are motivational courses, personal development courses, sales meetings, in-house training and orientation courses. All course topics and content are subject to approval by the Commission.

(4) All continuing education courses must be taken from a Commission approved school and taught by a Commission approved instructor, except as provided in Rule 790-X-1-.12.

Statutory Authority: Code of Ala. 1975, 34-27-6, 34-27-8, 34-27-35.

## **Rule 790-X-1-.12. Continuing Education Course Approval and Requirements.**

- (1) All instructors of continuing education courses, except those who teach only college credit courses, must apply for course approval on a form prescribed by the Commission along with a \$100 course review fee and all required documents.
- (2) Approved continuing education courses must be taught only by approved instructors. Otherwise those completing the course cannot receive credit toward meeting continuing education requirements.
- (3) In order to be approved for continuing education credit, courses must contain a minimum of three (3) clock hours of instruction. A licensee cannot earn more than nine (9) hours of continuing education credit in any one day. Upon special request courses which contain one and one-half (1 ½) hours may be approved by Commission.
- (4) Course sponsors may not hold courses out as approved, enroll students or conduct classes for which students expect to earn continuing education credit prior to the course instructor receiving written approval to teach the course from the Commission. Course instructors should submit the course application to the Commission at least 30 days prior to the proposed beginning date of the course.
- (5) Course sponsors must report all required course information including the exact location, times and dates of the courses to the Commission via the electronic submission program provided by the Commission at least one week prior to the beginning of each course. Should changes occur in this information, course sponsors must submit the changes immediately via the electronic submission program provided by the Commission.
- (6) The instructor shall within ten (10) days of course completion, report credit for the students who successfully completed the course to the Commission via the electronic submission program provided by the Commission.
- (7) Each licensee shall be responsible for checking the Commission Web site two (2) weeks after course completion to ensure course credit has been accurately reported. If it has not been accurately reported, it is the licensees' responsibility to contact the instructor or school and have the correct information sent to the Commission.
- (8) Each course sponsor shall maintain permanent attendance records for its students for a minimum of four (4) years. If a school closes because it merges with another school or is bought by another school, the records for the previous four years shall be turned over to and become the responsibility of the new school. If a branch school closes, the records for the previous four years shall be turned over to and become the responsibility of the main school. In the event a school closes and there is no school to whom the records would revert, the attendance records for the previous four years must be turned over to the Commission so that student course completion can be verified for the required period of time.
- (9) No more than one-third of any continuing education class can be presented through videotape unless the course is an ARELLO certified distance education course.

(10) Students must attend 100% of the course offering in order to be awarded continuing education credit. Instructors may take a 10-minute break after each 50 minutes of instruction. Credit will not be given for time spent on meals or other unrelated activities.

(11) Prior to becoming licensed, a person cannot earn real estate continuing education credit.

(12) Salespersons who obtain an original broker's license during the second year of the license period are not exempt from meeting continuing education requirements.

(13) Any licensee who completes the 15 hour broker prelicense course or the 30 hour post license course will earn 15 clock hours of continuing education credit. A temporary salesperson who takes a post license course which begins in one license period and concludes in the next license period can use the course for continuing education credit for the next renewal of his/her original license.

(14) Instructors must provide each student in any approved continuing education class with instructions on how they can electronically submit a course evaluation to the Commission.

(15) Any licensee who completes a continuing education course in another state which is approved by any state, may receive credit in Alabama for successful completion of that course by submitting appropriate documentation as prescribed by the Commission. Such courses will count as elective continuing education credit. These courses are not subject to renewal procedures, instructor application and fee or the course review fee.

Statutory Authority: Code of Ala. 1975, §§ 34-27-6, 34-27-8, 34-27-35, 34-27-36.

#### **790-X-1-.14. Student Attendance Participation Standards.**

(1) Proof of attendance in any Commission approved course constitutes the following participation standards:

(a) A student shall direct his/her attention to the instruction being provided and refrain from engaging in activities unrelated to the instruction.

(b) A student shall refrain from engaging in activities which are distracting to other students or the instructor, or which otherwise disrupt the orderly conduct of a class. This includes, but is not limited to, the use of voice pagers, beepers and cell phones.

(2) Instructors may not submit course credit to the Commission for a student who fails to comply with the student attendance participation standards prescribed in Paragraph (1)(a) & (b) of this Rule.

Statutory Authority: Code of Ala. 1975, §§ 34-27-6, 34-27-8, 34-27-35.

#### **790-X-1-.16. Review Of Approved Courses And Instructors.**

(1) All approved courses and instructors are subject to review by the Alabama Real Estate Commission. In the event of such a review, school officials shall make available to the authorized representative of the Commission all records requested which are necessary to the review.

(2) Students shall have access to an electronic evaluation form prescribed by the Commission to evaluate Commission approved instructors.

Statutory Authority: Code of Ala. 1975, §§ 34-27-6, 34-27-8.

## **790-X-1-.21. Distance Education Courses.**

Distance education courses are programs whereby instruction does not take place in a traditional classroom setting but rather where teacher and student are apart and instruction takes place through other media. Distance education programs include but are not limited to those which are presented through interactive classrooms, computer conferencing, interactive computer and the Internet.

(1) All distance education courses shall be certified by ARELLO (Association of Real Estate License Law Officials) before being submitted to the Commission for approval and must retain certification in order to retain Commission approval. This includes prelicense, post license and continuing education courses.

(2) Approved instructors who submit any ARELLO certified distance education course for approval must submit a copy of the Course Summary Certificate from ARELLO along with the course application and fee.

(3) ARELLO certified distance education courses must follow curriculum requirements as specified by the Commission. Instructors who teach courses developed by another school or organization, must review the course for accuracy and applicability of content prior to submitting it to the Alabama Real Estate Commission for review and approval.

(4) If not already Commission approved, instructors of ARELLO certified distance education courses must apply for approval on a form prescribed by the Commission, submit the appropriate fee and follow all rules that govern instructors.

(5) Instructors must give distance education students instructions on how they can electronically submit a course evaluation to the Commission.

(6) Distance education courses must continue to be ARELLO certified in order to continue their approval with the Alabama Real Estate Commission. If ARELLO certification is discontinued for any reason, approval by the Alabama Real Estate Commission will be simultaneously discontinued.

(7) The Commission may withdraw approval for any distance education course that is not offered in accordance with the ARELLO Distance Education Standards.

(8) The Commission may withdraw approval or otherwise discipline instructors in accordance with Rule 790-X-1-.17 for any instructor who teaches distance education courses that do not adhere to the ARELLO Distance Education Standards or who do not comply with all applicable rules and statutes.

(9) In order to successfully complete the prelicense or post license course, students must take and score a minimum of 70% on a proctored final examination administered in an educational facility by an approved real estate instructor or by a qualified person who is not in the real estate business.

Statutory Authority: Code of Ala. 1975, §§ 34-27-6; 34-27-8.

## **790-X-2-.02. Applications For Examination And Licensure.**

(1) Should any applicant for a real estate broker's or salesperson's license falsely answer any questions on either his/her examination or license application or misrepresent any facts relating to either application, said application may be rejected by the Commission and returned to the applicant. Any applicant whose application is not deemed acceptable may request a hearing before the Commission relative to such rejection.

(2) Any real estate broker who knowingly signs a license application stating the applicant under his/her sponsorship is of good reputation and is trustworthy may be held liable for such statements; and should a routine investigation of the applicant's background prove otherwise, the sponsoring broker may be subject to a fine or revocation or suspension of his/her license.

(3) All salesperson and broker license applications must contain a recent photograph which was taken within the past 12 months.

(4) The examination appointment must be made and the examination fee paid to the testing agency as published in the Candidate Handbook. When the registration has been processed, the applicant will be notified of the time to report to the exam center. Unscheduled candidates will not be admitted.

(5) An examination fee must be paid for each scheduled examination whether or not the applicant takes the exam unless the applicant is rescheduled in accordance with policies as specified in the Candidate Handbook.

(6) Applicants who fail the examination may retake the examination by following application procedures as outlined in the Alabama Candidate Handbook.

(7) The passing grade for both the salesperson and broker examinations shall be seventy (70). A time limit of three and one-half (3 1/2) hours is hereby set and allotted for completion of the required examination.

(8) All salesperson and broker applicants must complete all required course work, including passing the course final examination, prior to taking the state examination.

(9) Salesperson applicants must show successful proof of completion of the 60 hour salesperson prelicense course by presenting their Certificate of Course Completion to the exam center supervisor. An approved certificate is required before admittance to the exam will be granted.

(10) Broker applicants will not be issued a Certificate of Course Completion for the 15 hour broker prelicense course and are therefore not required to take it to the exam center in order to be admitted to the state exam. They are, however, required to be qualified to sit for the exam and must check with the Commission if the need exists to verify qualifications. Failure to meet broker qualifications prior to taking the broker examination will result in the exam score being rendered null and void and may subject the broker applicant to disciplinary action by the Commission.

Statutory Authority: Code of Ala. 1975, §§ 34-27-8, 34-27-32, 34-27-33.

## **790-X-2-.22. Optional Errors And Omissions Insurance Coverage. Repealed**

(1) Active licensees, or the company with which they are affiliated, who choose the option of obtaining Real Estate Errors and Omissions insurance independently from a provider other than the group carrier under contract with the commission shall obtain evidence of coverage by securing and maintaining in their files a Certification of Coverage on a form required by the commission. (Those who hold an Alabama reciprocal license, however, may comply under Rule 790-X-2-.23). The form shall show proof that the licensee has coverage in compliance with the minimum requirements established by the law and the commission. The form shall be completed in full and shall be signed by an authorized representative of the insurance company, a duly licensed admitted carrier in Alabama, certifying that the optional coverage meets the minimum requirements defined by these rules.

(a) For license issuance purposes the Certification of Coverage Form shall be filed with the commission office as required by §34-27-35.1(d) Code of Alabama 1975, as amended.

(b) For license renewal purposes the Certification of Coverage Form shall be obtained during each license renewal period by midnight of August 31, or annually thereafter. Failure to do so will result in the license being placed on inactive status and subject to all reactivation requirements. Certification of Coverage form shall not be filed with the Commission for license renewals but shall be maintained in licensee files.

(c) Notice to the licensee from any Certifying insurance company, having obtained a Certification of acceptable optional coverage, of cancellation for non-payment of premium, or non-renewal, for a licensee or company, unless replaced by a current and valid new Certification, will result in that licensee's license being placed on inactive status and subject to all license reactivation requirements. The licensee shall notify the Commission of cancellation or non-renewal of their Certification of Coverage within 10 days, unless the cancelled certification is replaced by a current, new Certification,

(2) For the purpose of establishing the requirements for optional coverage, the following shall constitute the minimum requirements:

(a) Insurance companies providing Real Estate Errors and Omissions insurance for real estate licensees must be a duly licensed admitted carrier in the State of Alabama and have at the time of Certification an A.M. Best rating of B.

(b) Except for non-payment of premium or deductible, or revocation of a real estate license, the insurance for which the Certification has been executed may not be terminated, or canceled during the coverage period. If coverage under this policy is to be non-renewed, or canceled for non-payment of premium or deductible, or revocation of a real estate license, the providing company must notify covered licensee of its intent to non-renew or cancel coverage thirty (30) days prior to the effective date thereof.

(c) A two (2) year type Certificate may be obtained in lieu of Subsequent Annual certificates so long as the two (2) year Certificate Expiration is concurrent with the two (2) year license renewal cycle.



(3) The minimum requirements for the coverage contained in the insurance policy for which Certification has been executed shall provide that:

(a) Coverage shall be that known as Real Estate Agents Errors and Omissions Insurance or Real Estate Agents Professional Liability Insurance. Coverage may be on an Occurrence or a Claims-Made basis.

(b) The limit of liability shall be no less than \$100,000 for any one claim, or wrongful act, nor less than \$300,000 annual aggregate limit of liability per licensee, not including the cost of investigation and defense. Except, a company may comply by obtaining a company policy Certifying limits of \$100,000/\$300,000 attached to a prescribed Certificate. The Certificate on the company will serve to certify that the individuals licensed with that company comply with coverage requirements, as long as they are affiliated with that company.

(c) The maximum deductible, including cost of investigation and defense, shall not exceed \$5,000 per claim, or wrongful act, per license.

(d) "Organizations" are required to obtain real estate licenses. Organizations, "referred to here-in as company or companies," shall be treated as individual licensees. "Protected person," however used in any insuring contract, shall mean any person or organization who is duly licensed.

(4) Any licensee who, acting alone or in concert with others, willfully or knowingly causes or allows a Certificate of Coverage to be issued to the covered licensee which is false, fraudulent, or misleading, shall be subject to disciplinary action under Code of Ala. 1975, Section 34-27-36, as amended.

Statutory Authority: §§ 34-27-8; 34-27-35.1.

**790-X-2-23. Errors And Omissions Insurance Coverage For Reciprocal Licensees.  
Repealed**

(1) Reciprocal licensees and/or the company with which they are affiliated, who are covered by the group errors and omissions contract in their home state, may show evidence of errors and omissions insurance coverage by compliance with the requirements of this rule. In applying for an active license, these licensees shall provide a certificate of licensure from their home state showing that they are covered by that state's group insurance contract. In renewing their license on active status these licensees shall maintain in their respective files a photocopy of their current, active license in their home state. Renewing licensees shall not provide their license certificate to the Commission office, except upon specific request from the Commission.

(2) By obtaining or providing the items specified in this rule reciprocal licensees are representing to the commission that they are covered by the group errors and omissions insurance in their home state. If for any reason a reciprocal licensee ceases to be so covered, that licensee shall notify the commission within 10 days, unless coverage is replaced within the 10 days. If appropriate evidence of errors and omissions insurance coverage is obtained within the same 10 days, the affected licensee shall immediately notify the Commission and the affected licenses shall immediately be placed on inactive status.

(3) Reciprocal licensees who cannot comply with the requirements of this rule shall show proof by the methods required of other licensees. Failure to obtain or provide appropriate proof of errors and omissions insurance coverage shall result in the license affected being placed or issued on inactive status.

Statutory Authority: §§ 34-27-8; 34-27-35.1.